

2017 ANNUAL REPORT

STATE OF ALABAMA • DEPARTMENT OF FINANCE

DIVISION OF RISK MANAGEMENT



COMPREHENSIVE ANNUAL REPORT

For Fiscal Year Ended September 30, 2017

STATE OF ALABAMA • DEPARTMENT OF FINANCE

DIVISION OF RISK MANAGEMENT

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MESSAGE FROM THE RISK MANAGER

The 2017 Annual Report provides detailed statistical and financial data regarding the Division of Risk Management's performance in FY 2017. An important part of the division's operation is successful investment of the equity of each trust fund. We attempt strong investment returns to manage the premiums paid by our client agencies, and assure strong response when disaster strikes.

The Division of Risk Management (DORM) among others discussed in this report provides the following major services to our clients:

- The State Insurance Fund (SIF) provides a quality property coverage program for state properties, colleges and universities and most public school systems.
- The General Liability Trust Fund (GLTF) protects state employees who are subjected to lawsuits arising from the performance of their job duties.
- The Educators Liability Trust Fund (ELTF) protects employees of public K-12 schools who are subjected to lawsuits arising from the performance of their job duties.
- The State Employee Injury Compensation Trust Fund (SEICTF) covers state employees for lost time and medical expenses resulting from accidental injuries while on the job.
- The Employee Assistance Program provides counseling and referral for employees with problems that affect job performance.

- Risk Management Services delivers an array of skilled services designed to avoid loss, both human and financial.
- The Alabama Equipment Maintenance Program (EMP) allows all government agencies and departments to consolidate the care of electronic equipment under one comprehensive program.

The 2017 operations of each of these major areas are outlined in this report.

The constant operating philosophy of the division is that we are a service organization with the objective of best meeting the needs of our client state agencies and schools. Our staff is productive, professional and motivated. We all look forward to serving our clients even better in 2018.

Max S. Graham
Risk Manager

STATE INSURANCE FUND (SIF)

The State Insurance Fund (SIF) was established in 1923 and is under the Code of Alabama 1975, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which the title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchases of land, construction of buildings, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its replacement cost and shall be insured for no less than 80 percent of its actual cash value. Salvage value coverage, used on property that is normally uninsurable, is determined by applying eight percent of the property's reconstruction value. City boards of education may insure school buildings and property either in the State Insurance Fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess Insurance and reinsurance is acquired to assure the solvency of the fund.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have

occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a \$7,500,000 cumulative loss annual deductible and a \$3,500,000 specific loss deductible for all perils except named and numbered wind events, and a \$10,000,000 specific loss deductible for named and numbered wind losses. Excess insurance covers claims exceeding the deductible with a \$450,000,000 limit for named wind storms and a \$2,000,000,000 limit for all other perils. Second event wind coverage for \$9,000,000 in excess of \$1,000,000 is purchased to provide additional protection for the SIF. Payments received in fiscal years 2016 and 2015 for settlements in excess of deductibles total \$0 and \$6,236,211 respectively.

FY STATEWIDE INSURED VALUES

2017	\$ 59,735,479,577
2016	\$ 57,556,658,448
2015	\$ 56,228,830,942
2014	\$ 56,430,064,966
2013	\$ 53,925,561,216
2012	\$ 49,046,910,051
2011	\$ 46,963,653,217
2010	\$ 46,371,820,893



SIF Total Insured Values

FY	Statewide Insured Values	Value Increase From Prior Year	Increase
2017	\$59,735,479,577	\$2,178,821,129	3.65%
2016	\$57,556,658,448	\$1,327,827,506	2.31%
2015	\$56,228,830,942	\$(201,234,024)	-0.36%
2014	\$56,430,064,966	\$2,504,503,750	4.44%
2013	\$53,925,561,216	\$4,878,651,165	9.05%
2012	\$49,046,910,051	\$2,083,256,834	4.25%
2011	\$46,963,653,217	\$591,832,324	1.26%
2010	\$46,371,820,893	\$1,514,410,406	3.27%



JB Pennington High School Blount County

The largest property loss to the State Insurance Fund in FY2017 was a fire at the JB Pennington High School campus. Pictured here is the administrative building which caught fire on March 21, 2017. The fire originated in the media center and moved into the roof structure. Loss paid thus far by DORM is currently at \$5.7 million.

Property Claims Summary Table Incurred Losses as of September 30, 2017

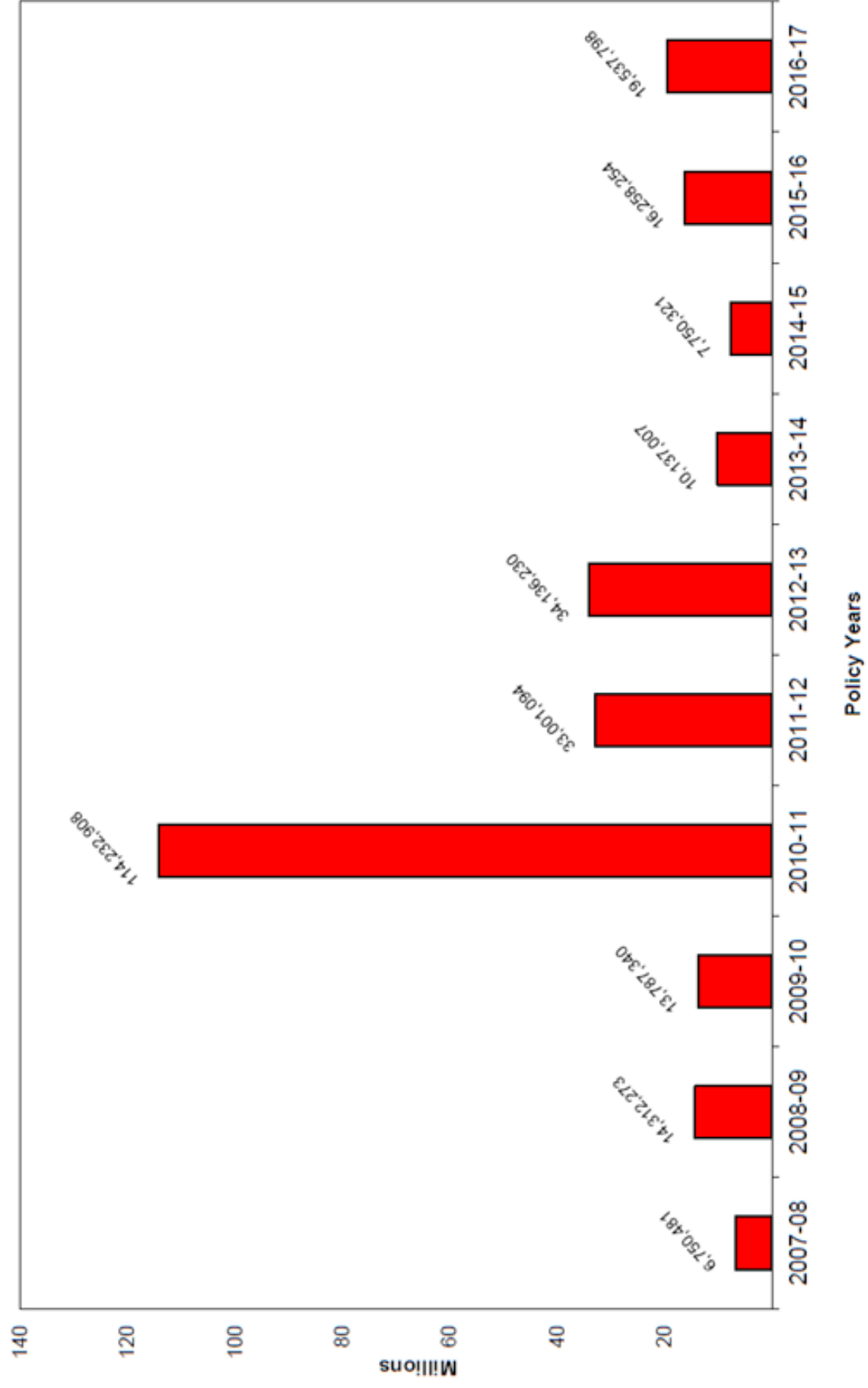
Incurred Losses - FY 2017

PERILS	FY 2017	AMOUNT	% OF TOTAL
Fire	23	\$10,636,137	54.44%
Lightning	159	\$791,390	4.05%
Wind	198	\$2,427,857	12.43%
Burglary	17	\$34,276	0.18%
Vandalism	10	\$26,369	0.13%
Hail	46	\$1,462,820	7.49%
Freeze	9	\$175,454	0.90%
Water	111	\$3,607,748	18.47%
Vehicle	27	\$300,140	1.54%
Other	13	\$75,608	0.39%
TOTALS	613	\$19,537,799	100%

Claims Summary

	FY 2017	FY 2016	FY 2015
Claims Handled	613	610	577
Outside Adjusted	451	381	353
Inside Adjusted	162	229	224
Average Claim Size	\$31,872	\$26,653	\$13,432

History of Property Loss
2007-2017



**STATE INSURANCE FUND
STATEMENT OF NET POSITION
UNAUDITED
AS OF SEPTEMBER 30, 2017**

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
ASSETS			
Current Assets			
Cash and Cash Equivalent	\$ 11,753,301	\$ 2,232,417	\$ 816,412
Cash - Outside Bank Account	573,558	503,593	15,597,865
Cash - Correction	-	-	-
Cash - In Transit	18,463	-	-
Investments (Fair Value)	1,242,647	3,243,717	2,924,445
Accounts Receivable	135,936	458,128	11,679
Advances to Other Funds	662,234	613,664	679,984
Accounts Receivable - Reinsurance Recoveries	-	-	49,000
Accrued Interest Receivable	-	-	-
Prepaid Insurance	9,704,401	9,612,061	10,496,052
Total Current Assets	24,090,540	16,663,580	30,575,437
Noncurrent Assets			
Investments (Fair Value)	111,691,443	87,164,723	61,052,843
Investments - Real Estate	8,110,000	8,413,014	9,083,185
Advances to Other Funds - LT	8,658,864	9,296,943	11,800,900
Construction in Progress	-	-	-
Accrued Interest Receivable	268,677	141,982	98,639
Fixed Assets (Net)	194,173	205,689	95,207
Total Noncurrent Assets	128,923,157	105,222,351	82,130,774
Total Assets	153,013,697	121,885,931	112,706,211
LIABILITIES			
Current Liabilities			
Vouchers Payable	286,817	111,823	18,527
Unpaid Claims & Expenses	9,203,492	6,951,800	4,587,499
Total Current Liabilities	9,490,309	7,063,623	4,606,026
Long-term Liabilities			
Due to Other Funds	-	-	10,000,000
Unpaid Claims & Expenses - LT	6,968,860	4,550,000	1,784,027
Reinsurance Advance Payment	-	-	-
Estimated Recovery of Reserves	(6,968,860)	(4,550,000)	-
Claims Incurred But Not Reported	622,813	223,612	483,586
Total Long-term Liabilities	622,813	223,612	12,267,613
Total Liabilities	10,113,122	7,287,235	16,873,639
NET POSITION			
Investment in Capital Assets	194,173	205,689	95,207
Reserved for Encumbrances	756,511	1,649,474	2,266,247
Unrestricted	141,949,891	112,743,533	93,471,118
TOTAL NET POSITION	\$ 142,900,575	\$ 114,598,696	\$ 95,832,572

STATE INSURANCE FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
UNAUDITED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
OPERATING REVENUES			
Earned Premiums	\$ 51,149,997	\$ 50,312,689	\$ 46,199,173
Total Operating Revenues	51,149,997	50,312,689	46,199,173
OPERATING EXPENSES			
Operation:			
Loss and Adjustment Expenses	12,417,159	11,168,713	6,742,663
Incurred But Not Reported Expense	399,201	(259,974)	(723,088)
Legal Services	23,561	-	-
Actuarial Services	71,647	68,716	85,474
Program Consultants	-	-	-
Interest Expense	-	283,014.00	-
Reinsurance Expense	20,273,138	21,170,826	22,468,676
Total Operations	33,184,706	32,431,295	28,573,725
Administration:			
Personnel Cost	1,312,365	1,031,214	1,255,882
Employee Benefits	520,313	501,579	472,285
Travel - In State	60,525	69,555	65,764
Travel - Out of State	13,150	10,383	7,857
Repairs & Maintenance	250	459	884
Rentals & Leases	5,276	5,867	5,279
Utilities & Communication	28,097	26,949	35,195
Services	514,959	729,346	758,053
Managerial Services	(43,349)	(40,638)	282,011
Supplies, Materials & Operating Expense	204,429	200,181	194,245
Transportation Equipment Operations	22,391	21,763	21,303
Grants & Benefits	0	15	-
Nonconsumable Supplies/Equipment	3,784	5,065	-
Depreciation Expense	36,020	35,114	55,219
Total Administration	2,678,210	2,596,852	3,153,977
Total Operating Expenses	35,862,916	35,028,147	31,727,702
Operating Income (Loss)	15,287,081	15,284,542	14,471,471
NONOPERATING REVENUES (EXPENSES)			
Investment Income	8,887,451	5,068,391	(149,960)
Other Income	677,829	722,523	778,282
Investment Expenses	(488,443)	(538,038)	(462,489)
Total Nonoperating Revenues (Expenses)	9,076,837	5,252,876	165,833
Income (Loss) Before Contributions and Transfers	24,363,918	20,537,418	14,637,304
Transfers Out - State Personnel	(7,810)	(7,170)	(8,241)
Increase (Decrease) in Net Position	24,356,108	20,530,248	14,629,063
Total Net Position, October 1, As Restated	118,544,467	94,068,448	81,203,509
Total Net Position, September 30	\$ 142,900,575	\$ 114,598,696	\$ 95,832,572

**STATE INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS**

The State Insurance Fund (SIF) was established in 1923 and is under the Code of Alabama 1975, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchases of land, construction of buildings, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its replacement cost and shall be insured for no less than 80 percent of its actual cash value. Salvage value coverage, used on property that is normally uninsurable, is determined by applying eight percent of the property's reconstruction value. City boards of education may insure school buildings and property either in the State Insurance Fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess Insurance and reinsurance is acquired to assure the solvency of the fund.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a \$10,000,000 cumulative loss or aggregate annual deductible and a \$3,500,000 specific loss retention for all perils other than wind from named or numbered storms. The SIF wind loss retention level for named or numbered storms is \$10,000,000. Excess insurance covers claims exceeding the retention levels with a \$450,000,000 limit for named or numbered wind storms and a \$2,000,000,000 limit for all other perils. Payments received in fiscal years 2017 and 2016 for settlements in excess of deductibles total \$3,142,713 and \$0 respectively.

The following table presents the changes in claims liabilities for the past two years:

	September 30,	
	<u>2017</u>	<u>2016</u>
Reported claims payable and estimated claims incurred but not reported at beginning of year	\$ 7,175,412	\$ 6,855,112
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	12,822,800	11,900,000
Increase (Decrease) in provision for insured events of prior years	<u>(6,439)</u>	<u>(991,261)</u>
Total incurred claims and adjustment expenses	12,816,361	10,908,739
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(5,240,049)	(6,315,880)
Claims and adjustment expenses attributable to insured events of prior years	<u>(4,925,419)</u>	<u>(4,272,559)</u>
Total payments	(10,165,468)	(10,588,439)
Reported claims payable and estimated claims incurred but not reported at end of year	<u>\$ 9,826,305</u>	<u>\$ 7,175,412</u>

STATE INSURANCE FUND INVESTMENT NOTES

	September 30,		
	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Investments			
Money Market	\$ 1,242,647	\$ 3,243,717	161.0
Commercial Paper	-	-	-
Time Deposits	27,923,209	28,380,810	1.6
US Treasury Securities	11,450,625	4,948,645	(56.8)
US Agency Securities	2,948,208	2,118,463	(28.1)
State & Local Gov Securities	176,889	156,755	(11.4)
Mortgage Backed Securities	5,888	9,615	63.3
Domestic Corporate Stocks	30,706,905	27,861,357	(9.3)
Domestic Corporate Bonds	16,150,690	9,749,213	(39.6)
International Stocks	-	285,236	-
Mutual Funds	22,329,029	13,633,101	(38.9)
Investment Not Otherwise Classified	-	21,528	-
	<u>112,934,090</u>	<u>90,408,440</u>	(19.9)
Real Estate Investments	8,110,000	8,413,014	3.7
Total Investments	<u>\$ 121,044,090</u>	<u>\$ 98,821,454</u>	(18.4)
Investment Income			
Interest Income	\$ 898,050	\$ 623,938	(30.5)
Change in Fair Value of Investments	2,268,841	1,739,253	(23.3)
Gain(Loss) on Sale of Investments	3,707,951	882,336	(76.2)
Stock Dividends	874,970	784,678	(10.3)
Amortization/Depr Income	-	-	-
Rental Income	1,137,639	1,038,186	(8.7)
Total Investment Income	<u>\$ 8,887,451</u>	<u>\$ 5,068,391</u>	(43.0)

**STATE INSURANCE FUND
RETURN ON EQUITY (ROE)**

Fiscal Year	Fund Equity	Net Revenue		Underwriting Net Revenue		Investment Net Revenue	
2017	142,900,575	24,356,108	17.0%	15,279,271	10.7%	8,399,008	5.9%
2016	114,598,696	20,530,248	17.9%	15,277,372	13.3%	4,530,353	4.0%
2015	95,832,572	14,629,063	15.3%	14,463,230	15.1%	(612,449)	-0.6%
2014	81,214,382	7,289,570	9.0%	2,364,911	2.9%	4,076,458	5.0%
2013	60,050,242	(34,634,904)	-57.7%	(40,615,569)	-67.6%	5,079,146	8.5%
2012	94,327,231	5,747,725	6.1%	(1,186,296)	-1.3%	5,861,204	6.2%
2011	88,292,970	(9,668,933)	-11.0%	(11,652,521)	-13.2%	1,126,063	1.3%
2010	98,155,070	3,225,462	3.3%	(695,277)	-0.7%	3,021,018	3.1%
2009	94,994,097	(1,881,383)	-2.0%	(3,191,872)	-3.4%	(236,263)	-0.2%
2008	97,066,369	35,833,917	36.9%	35,224,669	36.3%	(112,914)	-0.1%
Average Return On Equity		5.0%		1.2%		2.8%	

**STATE INSURANCE FUND LOSS EXPERIENCE
BY FISCAL YEAR**

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Earned Premium	\$ 51,149,997	\$ 50,312,689	\$ 46,199,173	\$ 39,743,578	\$ 35,314,175
Less Reinsurance Cost	<u>20,273,138</u>	<u>21,170,826</u>	<u>22,468,676</u>	<u>24,152,880</u>	<u>26,115,252</u>
Net Premium	<u>\$ 30,876,859</u>	<u>\$ 29,141,863</u>	<u>\$ 23,730,497</u>	<u>\$ 15,590,698</u>	<u>\$ 9,198,923</u>
Claims and Expenses Paid	\$ 10,165,468	\$ 10,588,439	\$ 13,029,493	\$ 14,347,839	\$ 40,253,094
Claims and Expenses Unpaid	2,251,691	580,274	(6,286,830)	(5,204,070)	7,659,570
Loss Incurred But Not Reported	<u>399,201</u>	<u>(259,974)</u>	<u>(723,088)</u>	<u>1,206,674</u>	<u>(823,336)</u>
Net Losses	<u>\$ 12,816,360</u>	<u>\$ 10,908,739</u>	<u>\$ 6,019,575</u>	<u>\$ 10,350,443</u>	<u>\$ 47,089,328</u>
Loss Ratio	41.5%	37.4%	25.4%	66.4%	511.9%

*Loss Ratio = Net Losses divided by Net Premium

STATE INSURANCE FUND
Underwriting Revenues and Expenditures
Other Revenues and Expenditures
Ten Year Income Summary

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
UNDERWRITING REVENUES:										
Earned Premium	\$ 51,149,997	\$ 50,312,689	\$ 46,199,173	\$ 39,743,578	\$ 35,314,175	\$ 30,566,484	\$ 28,998,551	\$ 29,231,612	\$ 32,662,515	\$ 31,948,049
UNDERWRITING EXPENSES:										
Claims and Expenses Paid	10,165,468	10,588,439	13,029,493	14,347,839	40,253,094	11,530,413	16,955,189	12,552,356	11,463,188	15,945,572
Claims and Expenses Unpaid	2,251,691	580,274	(6,286,830)	(5,204,070)	7,659,570	(1,794,446)	4,600,749	(1,983,630)	4,973,747	(38,849,241)
IBNR Expenses	399,201	(259,974)	(723,088)	1,206,674	(823,336)	(1,290,615)	(115,754)	(226,349)	(543,284)	344,707
Net Claims	12,816,360	10,908,739	6,019,575	10,350,443	47,089,329	8,445,352	21,440,184	10,342,377	15,893,651	(22,558,962)
Reinsurance Premium	20,273,138	21,170,826	22,468,676	24,152,880	26,115,252	20,834,084	16,624,602	16,803,212	17,021,507	16,582,458
Legal Services	23,561	-	-	-	-	-	-	-	-	-
Actuarial Services	71,647	68,716	85,474	154,987	120,963	202,645	151,436	65,305	84,475	15,576
Appraisal Services	-	-	-	-	-	-	63,990	265,085	525,570	619,960
Program Consultants	-	-	-	-	30,659	27,487	26,647	29,151	23,319	93,888
Interest Expense	-	283,014	-	54,050	-	-	-	-	-	-
Administrative Expenses	2,686,020	2,604,022	3,162,218	2,666,307	2,573,542	2,243,212	2,344,213	2,421,759	2,305,865	1,970,460
Total Underwriting Expense	35,870,726	35,035,317	31,735,943	37,378,667	75,929,745	31,752,780	40,651,072	29,926,889	35,854,387	(3,276,620)
Net Underwriting Revenues	15,279,271	15,277,372	14,463,230	2,364,911	(40,615,570)	(1,186,296)	(11,652,521)	(695,277)	(3,191,872)	35,224,669
OTHER REVENUES:										
Investment Income	8,887,451	5,068,391	(149,960)	4,599,579	5,443,921	6,165,238	1,402,855	3,257,146	97,536	(442,905)
Other Income	677,829	722,523	778,282	848,201	901,519	1,069,817	857,525	899,721	1,546,752	1,382,144
Total Other Revenues	9,565,280	5,790,914	628,322	5,447,780	6,345,440	7,235,055	2,260,380	4,156,867	1,644,288	939,239
OTHER EXPENSES:										
Investment Expenses	488,443	538,038	462,489	523,121	364,775	301,034	276,792	236,128	333,799	329,991
Total Other Expenses	488,443	538,038	462,489	523,121	364,775	301,034	276,792	236,128	333,799	329,991
Net Other Revenues	9,076,837	5,252,876	165,833	4,924,659	5,980,665	6,934,021	1,983,588	3,920,739	1,310,489	609,248
NET REVENUES	\$ 24,356,108	\$ 20,530,248	\$ 14,629,063	\$ 7,289,570	\$ (34,634,905)	\$ 5,747,725	\$ (9,668,933)	\$ 3,225,462	\$ (1,881,383)	\$ 35,833,917

State of Alabama
State Insurance Fund
Ten Year Loss Development

The following table illustrates how the State Insurance Fund's (Fund) earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the previous ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's gross earned premiums and reported investment revenue, amounts of premiums ceded, and reported premiums (net of reinsurance) and reported investment revenue. (2) This line shows each fiscal year's other operating costs of the Fund including overhead and loss adjustment expenses not allocable to individual claims. (3) This line shows the Fund's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called accident year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each accident year. (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each accident year. (6) This section of ten rows shows how each accident year's net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergency of new losses not previously known.) (7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally estimated. As data for individual accident years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature accident years. The columns of the table show data for successive accident years.

	Fiscal and Accident Year Ended									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Premiums and investment revenue:										
Earned	\$31,505,144	\$32,760,051	\$32,488,658	\$30,401,406	\$36,731,722	\$40,758,096	\$44,343,156	\$46,049,213	\$55,381,080	\$60,037,448
Ceded	16,582,458	17,021,507	16,803,212	16,624,602	20,834,084	26,115,252	24,152,880	22,468,676	21,170,826	20,273,138
Net Earned	14,922,686	15,738,544	15,685,446	13,776,804	15,897,638	14,642,844	20,190,276	23,580,537	34,210,254	39,764,310
2. Unallocated expenses	3,029,874	3,273,028	3,009,975	2,863,078	2,774,378	3,089,939	3,375,456	3,710,181	3,493,790	3,269,671
3. Estimated losses and expenses, end of accident year:										
Incurred	9,843,167	15,974,858	17,531,067	113,642,633	38,861,612	33,467,018	11,500,000	8,300,000	16,450,000	19,791,660
Ceded	-	-	5,781,067	91,228,189	28,359,154	2,757,035	-	-	4,550,000	6,968,860
Net incurred	9,843,167	15,974,858	11,750,000	22,414,444	10,502,458	30,709,983	11,500,000	8,300,000	11,900,000	12,822,800
4. Net paid (cumulative) as of:										
End of accident year	2,840,393	5,134,855	6,493,216	9,192,688	3,842,095	16,000,360	3,823,239	2,856,729	6,315,880	5,240,049
One year later	6,256,552	11,681,390	10,177,985	16,880,437	22,702,692	26,555,352	8,188,044	6,476,511	9,679,633	
Two years later	6,613,211	14,306,765	10,241,179	22,069,924	4,350,548	29,087,976	8,275,073	6,999,613		
Three years later	6,710,410	14,310,211	10,858,760	21,604,255	11,369,881	29,610,596	8,445,878			
Four years later	6,749,906	14,312,273	10,857,671	21,833,390	11,369,317	29,608,964				
Five years later	6,749,906	14,312,273	10,856,483	21,833,390	11,369,262					
Six years later	6,749,906	14,312,273	10,855,196	21,833,390						
Seven years later	6,749,906	14,312,273	10,854,008							
Eight years later	6,749,906									
Nine years later	6,749,906									
5. Reestimated ceded losses and expenses	-	-	2,928,580	72,691,346	18,661,715	-	-	-	3,147,560	6,968,860
6. Reestimated net incurred losses and expenses:										
End of accident year	9,843,167	15,974,858	11,750,000	22,414,444	10,502,458	30,709,983	11,500,000	8,300,000	11,900,000	12,822,800
One year later	7,534,616	14,850,000	10,750,000	21,000,000	32,434,640	29,711,248	9,000,000	7,700,000	11,800,000	
Two years later	7,239,999	14,605,689	10,883,007	22,900,000	11,044,723	29,687,863	8,642,877	7,700,000		
Three years later	7,072,120	14,527,550	10,858,760	22,062,092	11,369,881	29,610,596	8,445,878			
Four years later	6,749,906	14,312,273	10,857,671	21,833,390	11,369,317	29,608,964				
Five years later	6,749,906	14,312,273	10,856,483	21,833,390	11,369,262					
Six years later	6,749,906	14,312,273	10,855,196	21,833,390						
Seven years later	6,749,906	14,312,273	10,854,008							
Eight years later	6,749,906									
Nine years later	6,749,906									
7. Increase (decrease) in estimated net incurred losses and expenses from end of accident year	(3,093,261)	(1,662,585)	(895,992)	(581,054)	866,804	(1,101,019)	(3,054,122)	(600,000)	(100,000)	-



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GENERAL LIABILITY TRUST FUND (GLTF)

State employees are potentially subject to being sued individually for their acts and omissions undertaken in the line and scope of their official duties. The General Liability Trust Fund (GLTF), per coverage guidelines defends and indemnifies eligible participants for up to \$1 million per occurrence. In the event a single occurrence, as declared by the Risk Manager, is later judicially determined to be more than one occurrence, the maximum liability of the GLTF is \$1.2 million for all occurrences. Coverage is available per the program guidelines to the following when a premium is paid by a participating state entity who schedules:

- Full and part-time employees of the state of Alabama
- Direct contract employees (but not contractors or employees of contracting third-party companies)
- Elected officials
- Foster parents licensed through the Alabama Department of Human Resources and adult foster care providers

The GLTF sets aside a monetary reserve for each covered claim in the amount of the ultimate expected loss. Defense of covered employees is conducted by the Office of the Attorney General, or by attorneys appointed by the Attorney General, in collaboration with the GLTF.

The General Liability Trust Fund (GLTF), per coverage guidelines, defends and indemnifies eligible participants for up to \$1 million per occurrence.



GENERAL LIABILITY TRUST FUND
STATEMENT OF NET POSITION
UNAUDITED
SEPTEMBER 30, 2017

ASSETS	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Current Assets			
Cash and Cash Equivalent	\$ 2,429,926	\$ 6,562,085	\$ 7,665,106
Cash - Outside Bank Account	553,860	553,860	22,947,671
Investments (Fair Value)	672,177	542,250	2,669,762
Due From Other Funds	21	25,159	-
Due From Other Governments	22,723	-	-
Accrued Interest Receivable	-	-	-
Prepaid Insurance	-	-	-
Total Current Assets	3,678,707	7,683,354	33,282,539
Noncurrent Assets			
Investments (Fair Value)	63,262,174	54,854,396	14,086,351
Advance to Other Funds - LT	-	-	10,000,000
Accrued Interest Receivable	161,051	99,658	121,336
Total Noncurrent Assets	63,423,225	54,954,054	24,207,687
TOTAL ASSETS	67,101,932	62,637,408	57,490,226
LIABILITIES			
Current Liabilities			
Vouchers Payable	365,219	100,987	34,584
Due To Other Funds	112,593	70,654	-
Unpaid Claims & Expenses	3,512,023	2,003,342	2,485,277
Total Current Liabilities	3,989,835	2,174,983	2,519,861
Long-term Liabilities			
Unpaid Claims & Expenses - LT	10,536,069	6,010,027	6,719,452
Estimated Recovery of Reserves	-	-	-
Claims Incurred But Not Reported	11,005,861	13,206,001	14,501,408
Total Long-term Liabilities	21,541,930	19,216,028	21,220,860
Total Liabilities	25,531,765	21,391,011	23,740,721
NET POSITION			
Reserve for Encumbrances	102,117	103,892	331,902
Unrestricted	41,468,050	41,142,505	33,417,603
TOTAL NET POSITION	\$ 41,570,167	\$ 41,246,397	\$ 33,749,505

GENERAL LIABILITY TRUST FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
UNAUDITED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
OPERATING REVENUES			
Earned Premiums	\$ <u>7,925,242</u>	\$ 7,914,016	\$ 8,073,543
Total Operating Revenues	7,925,242	7,914,016	8,073,543
OPERATING EXPENSES			
Operations:			
Loss and Adjustment Expenses	10,575,321	1,281,618	3,691,246
Incurred But Not Reported Expense	(2,200,140)	(1,295,407)	(2,438,145)
Actuarial Services	22,587	14,163	13,754
Program Consultants	-	-	-
Reinsurance Expense	-	540,000	-
Total Operations	8,397,768	540,374	1,266,855
Administration:			
Personnel Costs	344,422	369,474	453,898
Employee Benefits	129,287	112,927	136,867
Travel - In State	-	-	-
Travel - Out of State	-	-	-
Repair & Maintenance	-	389	69
Rentals & Leases	5,438	6,303	5,615
Utilities & Communication	5,217	4,537	2,764
Services	100,576	117,611	60,939
Supplies, Materials & Operating Expense	62,400	65,452	53,613
Transportation Equipment Operations	59	-	-
Nonconsumable Supplies/Equipment	-	816	-
Total Administration	647,399	677,509	713,765
Total Operating Expenses	9,045,167	1,217,883	1,980,620
Operating Income (Loss)	(1,119,925)	6,696,133	6,092,923
NONOPERATING REVENUES (EXPENSES)			
Investment Income	1,484,831	651,312	270,780
Other Income	-	283,014	-
Investment Expenses	(109,944)	(49,675)	(3,836)
Total Nonoperating Revenues (Expenses)	1,374,887	884,651	266,944
Income (Loss) Before Contributions and Transfers	254,962	7,580,784	6,359,867
Transfers Out - State Personnel	(1,627)	(1,559)	(1,902)
Increase (Decrease) in Net Position	253,335	7,579,225	6,357,965
Total Net Position, October 1, As Restated	<u>41,316,832</u>	<u>33,667,172</u>	<u>27,391,540</u>
Total Net Position, September 30	\$ <u>41,570,167</u>	\$ <u>41,246,397</u>	\$ <u>33,749,505</u>

**GENERAL LIABILITY TRUST FUND
NOTES TO FINANCIAL STATEMENTS**

The General Liability Trust Fund (GLTF) was established in 1984 to protect state employees from personal financial liability resulting from lawsuits that are based on alleged negligence while acting within the line and scope of state employment. Claims are investigated and defended through the Office of the Attorney General. Auto Liability coverage is fully insured via American Southern Insurance Company who handles all claims. The GLTF is managed much like a commercial insurance company, with exposure evaluated and commensurate premiums assigned to state agencies. Investment activities are an essential part of the General Liability Trust Fund's ability to maintain lower-cost employee liability coverage. Funds in excess of those needed for immediate operations are invested to maximize return and keep premiums down.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. Excess insurance was procured effective January 15, 2011. Excess insurance was not purchased in fiscal year 2015 but was renewed for fiscal year 2016. There were no payments received in fiscal years 2017, 2016, and 2015 for settlements in excess of deductibles for old claims.

The following table presents the changes in claims liabilities for the past two years:

	September 30,	
	<u>2017</u>	<u>2016</u>
Reported claims payable and estimated claims incurred but not reported at beginning of year	\$ 21,219,371	\$ 23,706,137
Incurring claims and adjustment expenses:		
Provision for insured events of the current year	5,094,582	4,623,213
Increase (Decrease) in provision for insured events of prior years	<u>3,280,599</u>	<u>(4,707,656)</u>
Total incurred claims and adjustment expenses	8,375,181	(84,443)
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(294,582)	(148,975)
Claims and adjustment expenses attributable to insured events of prior years	<u>(4,246,018)</u>	<u>(2,253,348)</u>
Total payments	(4,540,600)	(2,402,323)
Reported claims payable and estimated claims incurred but not reported at end of year	<u>\$ 25,053,952</u>	<u>\$ 21,219,371</u>

GENERAL LIABILITY TRUST FUND
INVESTMENT NOTES

	September 30,		<u>% Change</u>
	<u>2017</u>	<u>2016</u>	
Investments			
Money Market Funds	\$ 672,177	\$ 542,250	24.0
US Treasury Securities	14,847,938	6,548,334	126.7
US Agency Securities	690,782	587,911	17.5
State and Local Gov Securities	15,211	-	-
Mortgage Backed Securities	252,813	7,738	3,167.2
Domestic Corporate Stock	2,982,180	3,376,855	(11.7)
Domestic Corporate Bonds	15,750,902	8,109,147	94.2
Mutual Funds Long Term	28,722,348	36,224,411	(20.7)
Total Investments	<u>\$ 63,934,351</u>	<u>\$ 55,396,646</u>	15.4
Investment Income			
Interest Income	\$ 619,824	\$ 323,132	91.8
Change in Fair Value of Investments	638,453	387,009	65.0
Gain(Loss) on Sale of Investments	24,660	(143,647)	(117.2)
Stock Dividends	201,894	84,818	138.0
Total Investment Income	<u>\$ 1,484,831</u>	<u>\$ 651,312</u>	128.0

GENERAL LIABILITY TRUST FUND
Underwriting Revenues and Expenses
Other Revenues and Expenses
Ten Year Income Summary

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
UNDERWRITING REVENUES:										
Earned Premium	\$ 7,925,242	\$ 7,914,016	\$ 8,073,543	\$ 8,228,228	\$ 8,550,756	\$ 9,117,114	\$ 14,081,440	\$ 13,286,552	\$ 13,452,191	\$ 13,537,260
UNDERWRITING EXPENSES:										
Claims and Expenses Paid	4,540,601	2,472,977	2,961,880	2,805,909	4,151,135	6,348,516	8,284,923	4,305,162	7,659,525	6,401,802
Claims and Expenses Unpaid	6,034,720	(1,191,359)	729,366	(1,762,039)	(129,618)	1,250,590	(927,459)	1,885,098	(2,032,005)	(643,542)
IBNR Expenses	(2,200,140)	(1,295,407)	(2,438,145)	31,083	(374,670)	(2,147,336)	(252,266)	(879,202)	3,336,687	1,345,152
Net Claims	8,375,181	(13,789)	1,253,101	1,074,953	3,646,847	5,451,770	7,105,198	5,311,058	8,964,207	7,103,412
Reinsurance Premium	-	540,000	0	555,000	465,000	3,517,217	3,858,871	3,276,588	3,249,806	1,897,004
Actuarial Services	22,587	14,163	13,754	15,521	12,769	15,163	16,689	13,801	12,708	13,683
Program Consultants	-	-	-	0	7,188	3,927	3,807	4,165	3,331	16,237
Interest Expense	-	-	-	-	-	-	-	-	-	15,000
Administrative Expenses	649,026	679,068	715,667	872,273	813,870	695,795	688,464	621,858	693,374	781,799
Total Underwriting Expenses	9,046,794	1,219,442	1,982,522	2,517,747	4,945,674	9,683,872	11,673,029	9,227,470	12,923,426	9,827,135
Net Underwriting Revenues	(1,121,552)	6,694,574	6,091,021	5,710,481	3,605,082	(566,758)	2,408,411	4,059,082	528,765	3,710,125
OTHER REVENUES:										
Investment Income	1,484,831	651,312	270,780	323,427	9,040	415,231	231,178	478,624	754,184	1,315,627
Other Income	-	283,014	-	-	-	96	480	6,048	-	5,446
Total Other Revenues	1,484,831	934,326	270,780	323,427	9,040	415,327	231,658	484,672	754,184	1,321,073
OTHER EXPENSES:										
Investment Expenses	109,944	49,675	3,836	4,121	-	63	221	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-	-
	109,944	49,675	3,836	4,121	-	63	221	-	-	-
NET REVENUES	\$ 253,335	\$ 7,579,225	\$ 6,357,965	\$ 6,029,787	\$ 3,614,122	\$ (151,494)	\$ 2,639,848	\$ 4,543,754	\$ 1,282,949	\$ 5,031,198

EMPLOYEE AUTOMOTIVE LIABILITY

The GLTF provides liability coverage for state employees operating more than 8,000 state-owned vehicles. This program is out-sourced with the American Southern Insurance Company. All claims are adjusted by the American Southern Insurance Company and coordinated with DORM.

In addition, many state employees regularly or occasionally use their personal autos in their state jobs. For these individuals, the auto insurance coverage is available in an excess capacity of their personal auto insurance coverage limits.

Auto Exposure

Vehicles Insured

Class	Description	FY2017	FY2016	FY2015	FY2014	FY 2013
1	Private Passenger	1,755	1,691	1,744	1,757	1,779
2	Pickups & Vans	4,172	3,894	3,831	3,559	3,613
3	Trucks & Tractors	1,432	1,384	1,350	1,320	1,394
4	Law Enforcement	977	938	944	1,018	1,015
5	Buses	384	328	322	402	333
6	Motorcycle	31	31	27	26	26
	Total Vehicles	8,752	8,266	8,218	8,082	8,160





EDUCATORS LIABILITY TRUST FUND (ELTF)

Employees of Alabama's public K-12 schools are potentially subject to being sued individually for their acts and omissions undertaken in the line and scope of their official educational duties. The Educators Liability Trust Fund (ELTF) per our coverage guidelines defends and indemnifies eligible employees for up to \$1 million per occurrence. In the event a single occurrence, as declared by the Risk Manager, is later judicially determined to be more than one occurrence, the maximum liability of the ELTF is \$1.2 million for all occurrences. The ELTF does not cover school boards. It covers employees who are sued individually and are at risk of having to pay damages from their personal assets.

The ELTF sets aside a monetary reserve for each covered claim in the amount of the ultimate expected loss. Defense of covered employees is conducted by attorneys contracted with the Division of Risk Management.

The ELTF has been in effect since July 1, 2013. Because liability claims develop slowly, the current financial report is reflective of the liabilities that will almost certainly be incurred by the fund over time. The ELTF since its origination has been funded via annual appropriations from the state legislature.

EDUCATORS LIABILITY TRUST FUND
STATEMENT OF NET POSITION
UNAUDITED
SEPTEMBER 30, 2017

ASSETS	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Current Assets			
Cash and Cash Equivalent	\$ 356,713	\$ 3,174,597	\$ 6,686,302
Cash - Outside Bank Account	135,000	-	-
Investments (Fair Value)	16,078	345,808	-
Accrued Interest Receivable	-	-	-
Accounts Receivable	-	-	-
Total Current Assets	507,791	3,520,405	6,686,302
Noncurrent Assets			
Investments (Fair Value)	9,043,590	4,704,891	-
Accrued Interest Receivable	5,524	4,804	-
Total Noncurrent Assets	9,049,114	4,709,695	-
TOTAL ASSETS	9,556,905	8,230,100	6,686,302
LIABILITIES			
Current Liabilities			
Vouchers Payable	140,549	56,267	18,166
Unpaid Claims & Expenses	-	-	-
Total Current Liabilities	140,549	56,267	18,166
Long-term Liabilities			
Unpaid Claims & Expenses - LT	2,662,250	1,872,614	603,958
Claims Incurred But Not Reported	22,547,982	13,001,296	5,049,254
Total Long-term Liabilities	25,210,232	14,873,910	5,653,212
Total Liabilities	25,350,781	14,930,177	5,671,378
NET POSITION			
Reserve for Encumbrances	208,242	1,037,298	3,214,836
Unrestricted	(16,002,118)	(7,737,375)	(2,199,912)
TOTAL NET POSITION	\$ (15,793,876)	\$ (6,700,077)	\$ 1,014,924

EDUCATORS LIABILITY TRUST FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
UNAUDITED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
OPERATING REVENUES			
Earned Premiums	\$ <u>2,250,000</u>	\$ 2,250,000	\$ 2,250,000
Total Operating Revenues	2,250,000	2,250,000	2,250,000
 OPERATING EXPENSES			
Operations:			
Loss and Adjustment Expenses	1,525,240	1,737,957	500,302
Incurred But Not Reported Expense	9,546,686	7,952,042	1,079,175
Actuarial Services	11,423	8,924	1,770
Program Consultants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	11,083,349	9,698,923	1,581,247
Administration:			
Personnel Costs	181,292	193,427	167,386
Employee Benefits	57,738	56,382	67,894
Travel - In State	-	-	11
Travel - Out of State	2,765	1,141	844
Repair & Maintenance	-	389	-
Rentals & Leases	20	16	-
Utilities & Communication	2,182	1,734	878
Services	35,303	26,188	5,894
Supplies, Materials & Operating Expense	13,313	13,597	11,874
Transportation Equipment Operations	100	107	72
Nonconsumable Supplies/Equipment	<u>657</u>	<u>815</u>	<u>-</u>
Total Administration	293,370	293,796	254,853
 Total Operating Expenses	11,376,719	9,992,719	1,836,100
 Operating Income (Loss)	(9,126,719)	(7,742,719)	413,900
 NONOPERATING REVENUES (EXPENSES)			
Investment Income	17,694	47,172	-
Investment Expenses	<u>(21,006)</u>	<u>(12,059)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	(3,312)	35,113	-
 Income (Loss) Before Contributions and Transfers	(9,130,031)	(7,707,606)	413,900
 Transfers Out - State Personnel	<u>(976)</u>	<u>(1,247)</u>	<u>-</u>
 Increase (Decrease) in Net Position	(9,131,007)	(7,708,853)	413,900
Total Net Position, October 1, As Restated	<u>(6,662,869)</u>	<u>1,008,776</u>	<u>601,024</u>
 Total Net Position, September 30	\$ (15,793,876)	\$ (6,700,077)	\$ 1,014,924

EDUCATORS LIABILITY TRUST FUND
NOTES TO FINANCIAL STATEMENTS

The Educators Liability Trust Fund (ELTF) was established by the Alabama Legislature on July 1, 2013 to protect teachers, principals and other employees of local K-12 public education units from incurring personal financial liability due to lawsuits brought against them for conduct that is within the line and scope of their duties as education employees. All claims submitted to the Division of Risk Management are investigated, and all covered claims are defended by assigned counsel. The ELTF is managed much like a commercial insurance company. Premiums received by the fund each fiscal year are set by the legislature. Those premiums are used to pay claims and expenses. Premiums not needed for immediate operations may be built up over time and invested in order to maximize return, keep assets available for the Fund's needs, and keep future premiums as low as possible.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported.

The following table presents the changes in claims liabilities for the past two years:

	September 30,	
	<u>2017</u>	<u>2016</u>
Reported claims payable and estimated claims incurred but not reported at beginning of year	\$ 14,873,910	\$ 5,653,212
Incurring claims and adjustment expenses:		
Provision for insured events of the current year	8,000,000	5,540,000
Increase (Decrease) in provision for insured events of prior years	<u>3,071,927</u>	<u>4,149,998</u>
Total incurred claims and adjustment expenses	11,071,927	9,689,998
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(222)	(315)
Claims and adjustment expenses attributable to insured events of prior years	<u>(735,383)</u>	<u>(468,985)</u>
Total payments	(735,605)	(469,300)
Reported claims payable and estimated claims incurred but not reported at end of year	<u>\$ 25,210,232</u>	<u>\$ 14,873,910</u>

EDUCATORS LIABILITY TRUST FUND

INVESTMENT NOTES

	September 30, 2017		<u>% Change</u>
	<u>2017</u>	<u>2016</u>	
Investments			
Money Market Funds	\$ 16,078	\$ 345,808	(95.4)
US Treasury Securities	1,798,844	1,780,675	1.0
US Agency Securities	174,296	102,988	69.2
Mutual Funds Long Term	<u>7,070,450</u>	<u>2,821,228</u>	150.6
Total Investments	<u>\$ 9,059,668</u>	<u>\$ 5,050,699</u>	79.4
 Investment Income			
Interest Income	\$ 34,786	\$ 15,823	119.8
Change in Fair Value of Investments	(52,178)	16,209	(421.9)
Gain(Loss)on Sale of Investments	(5,378)	1,635	(428.9)
Stock Dividends	<u>40,464</u>	<u>13,505</u>	199.6
Total Investment Income	<u>\$ 17,694</u>	<u>\$ 47,172</u>	(62.5)

EDUCATORS LIABILITY TRUST FUND
Underwriting Revenues and Expenses
Other Revenues and Expenses
Ten Year Income Summary

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
UNDERWRITING REVENUES:										
Earned Premium	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 4,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
UNDERWRITING EXPENSES:										
Claims and Expenses Paid	735,605	469,301	116,867	29,921	-	-	-	-	-	-
Claims and Expenses Unpaid	789,635	1,268,656	383,435	220,522	-	-	-	-	-	-
IBNR Expenses	9,546,686	7,952,042	1,079,175	3,570,079	400,000	-	-	-	-	-
Net Claims	11,071,926	9,689,999	1,579,477	3,820,522	400,000	-	-	-	-	-
Actuarial Services	11,423	8,924	1,770	8,473	1,980	-	-	-	-	-
Program Consultants	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	294,346	295,043	254,853	140,083	19,154	-	-	-	-	-
Total Underwriting Expenses	11,377,695	9,993,966	1,836,100	3,969,078	421,134	-	-	-	-	-
Net Underwriting Revenues	(9,127,695)	(7,743,966)	413,900	530,922	78,866	-	-	-	-	-
OTHER REVENUES:										
Investment Income	17,694	47,172	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Other Revenues	17,694	47,172	-	-	-	-	-	-	-	-
OTHER EXPENSES:										
Investment Expenses	21,006	12,059	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-	-
	21,006	12,059	-	-	-	-	-	-	-	-
NET REVENUES	\$ (9,134,007)	\$ (7,708,853)	\$ 413,900	\$ 530,922	\$ 78,866	\$ -	\$ -	\$ -	\$ -	\$ -

Work Injury

A close-up shot of a hand holding a red marker, underlining the text 'Work Injury' written in a bold, black, handwritten font on a white background.

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND (SEICTF)

The State Employee Injury Compensation Trust Fund (SEICTF) was created by the legislature on October 1, 1994. Its purpose is to provide benefits to eligible state employees for job-incurred injury. Benefits under SEICTF are administered by the Department of Finance, Division of Risk Management in accordance with the Alabama administrative code and include all reasonable medical expenses arising from job-incurred injury, lost wages (including benefits for time lost from the job), and benefits to dependents of employees who are fatally injured on the job. Specifically excluded from coverage are employees of the State Port Authority, educational institutions, and local boards of education. A key element in assuring effective and efficient operation of SEICTF was the creation of a statewide medical provider network with a focus on professionals who are experts in treating occupational injury. In 2017:

- Fewer than 1% of claims resulted in a formal hearing to address a claim dispute.
- Vocational benefits were paid to employees who could no longer perform the essential functions of their job within the permanent activity restrictions provided by the medical provider.
- Medical Case Management services were utilized to continue to monitor expenses, encourage safety and productivity, and promote high quality care to injured employees. Case managers worked with the injured worker to:
 - ensure quality, necessity and cost effectiveness of health care
 - project a realistic duration of disability
 - coordinate effective communication among all parties
 - promote understanding and encourage compliance with the managed care initiative
 - ensure a safe and expeditious return to work
- Subrogation recoveries were pursued for claims where a third party caused a State employee to become injured while working. SEICTF was reimbursed more than \$79,000 by the carriers for the parties at fault during this fiscal year.

SEICTF Claims Frequency

	2017	2016	2015	2014	2013
Indemnity	237	204	209	282	265
Medical Only	1,327	1,381	1,380	1,409	1,438
Incident Only	759	752	825	939	943
Total # of Claims	2,323	2,337	2,414	2,630	2,646

Indemnity claims are those resulting in payments for lost time from work. Medical claims are those resulting in medical costs but no time off work. An incident claim is one where the claimant did not seek medical attention.

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
STATEMENT OF NET POSITION
UNAUDITED
SEPTEMBER 30, 2017

ASSETS	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Current Assets			
Cash and Cash Equivalent	\$ 2,070,062	\$ 1,381,678	\$ 1,137,778
Cash - Outside Bank Account	589,551	591,867	18,506,890
Cash - In Transit	28,500	-	-
Investments (Fair Value)	2,425,056	555,874	5,521,029
Accounts Receivable	10,949	-	-
Due From Other Funds	303,005	651,942	-
Accrued Interest Receivable	-	-	166,689
Prepaid Expense	-	-	-
Total Current Assets	5,427,123	3,181,361	25,332,386
Noncurrent Assets			
Investments (Fair Value)	34,995,911	36,075,255	12,481,787
Advance to Other Funds	-	-	-
Accrued Interest Receivable	100,297	91,867	65,769
Total Noncurrent Assets	35,096,208	36,167,122	12,547,556
TOTAL ASSETS	40,523,331	39,348,483	37,879,942
LIABILITIES			
Current Liabilities			
Vouchers Payable	304,619	450,237	282,109
Due To Other Funds	561,735	223,173	-
Self-Insured Deposits	120,000	120,000	120,000
Unpaid Claims & Expenses	1,388,091	1,673,996	1,835,555
Total Current Liabilities	2,374,445	2,467,406	2,237,664
Long-term Liabilities			
Unpaid Claims & Expenses - LT	7,287,477	6,695,984	6,507,877
Claims Incurred But Not Reported	9,360,835	10,265,496	10,665,127
Total Long-term Liabilities	16,648,312	16,961,480	17,173,004
Total Liabilities	19,022,757	19,428,886	19,410,668
NET POSITION			
Reserved for Encumbrances	560,230	562,829	888,176
Unrestricted	20,940,344	19,356,768	17,581,098
TOTAL NET POSITION	\$ 21,500,574	\$ 19,919,597	\$ 18,469,274

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
UNAUDITED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
OPERATING REVENUES			
Earned Premiums	\$ 6,578,743	\$ 6,688,971	\$ 6,821,734
Earned Premiums - EAP	237,691	208,523	218,104
Administrative Fees - Self Insured Agencies	<u>276,207</u>	<u>281,390</u>	<u>284,350</u>
Total Operating Revenues	7,092,641	7,178,884	7,324,188
OPERATING EXPENSES			
Operations:			
Loss and Adjustment Expenses	4,853,546	3,318,759	3,402,888
Incurred But Not Reported Expense	(904,661)	(399,631)	(698,694)
Actuarial Services	54,769	19,313	26,094
Medical Services	129,206	151,853	208,257
Medical Consulting	42,621	-	-
Program Consultants	-	-	-
EAP Expenses	214,093	146,850	137,980
Other Non-Claim Operational Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	4,389,574	3,237,144	3,076,525
Administration:			
Personnel Costs	1,548,120	1,868,017	1,658,105
Employee Benefits	614,320	663,662	617,055
Travel - In State	1,395	1,811	3,368
Travel - Out of State	4,030	2,494	2,467
Repair & Maintenance	-	389	-
Rentals & Leases	8,066	9,354	8,652
Utilities & Communication	19,712	18,150	15,960
Services	200,230	256,327	138,024
Supplies, Materials & Operating Expense	103,740	105,292	88,692
Transportation Equipment Operations	953	633	872
Nonconsumable Supplies/Equipment	<u>2,159</u>	<u>2,525</u>	<u>-</u>
Total Administration	2,502,725	2,928,654	2,533,195
Total Operating Expenses	6,892,299	6,165,798	5,609,720
Operating Income (Loss)	200,342	1,013,086	1,714,468
NONOPERATING REVENUES (EXPENSES)			
Investment Income	880,485	687,883	216,927
Miscellaneous Fees	-	-	795
Court Ordered Settlements	36	-	-
Reimbursement Not Otherwise Classified	-	-	-
Investment Expense	<u>(108,217)</u>	<u>(50,691)</u>	<u>(4,423)</u>
Total Nonoperating Revenues (Expenses)	772,304	637,192	213,299
Income (Loss) Before Contributions and Transfers	972,646	1,650,278	1,927,767
Transfers Out - State Personnel	<u>(10,088)</u>	<u>(9,976)</u>	<u>(9,826)</u>
Increase (Decrease) in Net Position	962,558	1,640,302	1,917,941
Total Net Position, October 1, As Restated	<u>20,538,016</u>	<u>18,279,295</u>	<u>16,551,333</u>
Total Net Position, September 30	\$ 21,500,574	\$ 19,919,597	\$ 18,469,274

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
NOTES TO FINANCIAL STATEMENTS

The State Employee Injury Compensation Trust Fund (SEICTF) was created by the legislature on October 1, 1994. Its purpose is to provide benefits to eligible state employees for job-incurred injury. Benefits under SEICTF are administered by the Department of Finance, Division of Risk Management in accordance with the Alabama Administrative Code and include all reasonable medical expenses arising from a job-incurred injury, lost wages (including benefits for time lost from the job), and benefits to dependents of employees who are fatally injured on the job. Specifically excluded from coverage are employees of the State Port Authority, educational institutions, and local boards of education. A key element in assuring effective and efficient operation of SEICTF was the creation of a statewide medical provider network with a focus on professionals who are experts in treating occupational injury.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not been reported. This liability and expense is determined by a professional actuary.

The following table presents the changes in claims liabilities for the past two years:

	September 30,	
	<u>2017</u>	<u>2016</u>
Reported claims payable and estimated claims incurred but not reported at beginning of year	\$ 18,635,476	\$ 19,008,559
Included claims and adjustment expenses:		
Provision for insured events of the current year	5,000,001	4,200,000
Increase (Decrease) in provision for insured events of prior years	<u>(1,051,116)</u>	<u>(1,281,992)</u>
Total incurred claims and adjustment expenses	3,948,885	2,918,008
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,368,865)	(1,141,814)
Claims and adjustment expenses attributable to insured events of prior years	<u>(3,179,093)</u>	<u>(2,149,277)</u>
Total payments	(4,547,958)	(3,291,091)
Reported claims payable and estimated claims incurred but not reported at end of year	<u>\$ 18,036,403</u>	<u>\$ 18,635,476</u>

The Department of Transportation finances its own risk for state employee injury compensation. This table does not include the changes in claims liabilities for the Department of Transportation.

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND

INVESTMENT NOTES

	September 30, 2017		<u>% Change</u>
	<u>2017</u>	<u>2016</u>	
Investments			
Money Market Funds	\$ 2,425,056	\$ 555,874	336.3
US Treasury Securities Long Term	6,735,292	8,663,032	(22.3)
US Agency Securities	3,438,012	3,521,085	(2.4)
State and Local Government Securities	23,471	-	-
Domestic Corporate Stock	1,987,232	2,259,264	(12.0)
Domestic Corporate Bonds	9,385,210	6,565,595	42.9
Mutual Funds Long Term	13,426,695	15,066,278	(10.9)
Total Investments	<u>\$ 37,420,968</u>	<u>\$ 36,631,128</u>	2.2
 Investment Income			
Interest Income	\$ 527,308	\$ 306,914	71.8
Change in Fair Value of Investments	76,677	493,713	(84.5)
Gain(Loss) on Sale of Investments	99,251	(176,219)	(156.3)
Stock Dividends	177,249	63,475	179.2
Total Investment Income	<u>\$ 880,485</u>	<u>\$ 687,883</u>	28.0

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
Underwriting Revenues and Expenses
Other Revenues and Expenses
Ten Year Income Summary

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
UNDERWRITING REVENUES:										
Earned Premiums	\$ 6,578,743	\$ 6,688,971	\$ 6,821,734	\$ 6,921,659	\$ 7,353,662	\$ 7,745,888	\$ 8,685,743	\$ 9,172,759	\$ 7,717,034	\$ 7,587,499
Earned Premiums - EAP	237,691	208,523	218,104	225,870	223,485	231,919	232,022	-	-	-
Administrative Fees - Self Insured Agencies	276,207	281,390	284,350	232,085	290,220	283,435	309,488	315,152	316,015	308,530
	<u>7,092,641</u>	<u>7,178,884</u>	<u>7,324,188</u>	<u>7,379,614</u>	<u>7,867,367</u>	<u>8,261,242</u>	<u>9,227,253</u>	<u>9,487,911</u>	<u>8,033,049</u>	<u>7,896,029</u>
UNDERWRITING EXPENSES:										
Claims and Expenses Paid	4,547,958	3,292,211	3,461,923	3,057,739	4,580,626	3,801,395	4,035,964	4,559,230	3,929,439	6,757,163
Claims and Expenses Unpaid	305,588	26,548	(59,035)	(521,928)	1,405,305	(1,379,735)	(824,340)	(1,137,343)	1,292,376	2,820,984
IBNR Expenses	(904,661)	(399,631)	(698,694)	1,016,184	(495,816)	(549,151)	1,667,627	2,119,918	(97,498)	1,536,267
Net Claims	<u>3,948,885</u>	<u>2,919,128</u>	<u>2,704,194</u>	<u>3,551,995</u>	<u>5,490,115</u>	<u>1,872,509</u>	<u>4,879,251</u>	<u>5,540,805</u>	<u>5,124,317</u>	<u>11,114,414</u>
Reinsurance Premium				-	-	-	-	-	-	-
Actuarial Services	54,769	19,313	26,094	11,400	28,635	26,213	68,648	37,179	52,436	41,054
Medical Services	129,206	151,853	208,257	152,599	186,249	248,336	163,461	470,239	704,383	970,597
Medical Consulting	42,621	-	-	-	-	-	-	-	-	-
Program Consultants	-	-	-	5,633	22,630	42,987	272,292	70,069	6,662	11,662
EAP Expenses	214,093	146,850	137,980	133,070	155,070	158,565	189,132	224,940	-	-
Administrative Expenses	<u>2,512,813</u>	<u>2,938,630</u>	<u>2,543,021</u>	<u>2,575,721</u>	<u>2,578,333</u>	<u>2,432,561</u>	<u>2,384,574</u>	<u>2,300,694</u>	<u>2,248,590</u>	<u>1,927,346</u>
Total Underwriting Expenses	<u>6,902,387</u>	<u>6,175,774</u>	<u>5,619,546</u>	<u>6,430,418</u>	<u>8,461,032</u>	<u>4,781,171</u>	<u>7,957,358</u>	<u>8,643,926</u>	<u>8,136,388</u>	<u>14,065,073</u>
Net Underwriting Revenues	<u>190,254</u>	<u>1,003,110</u>	<u>1,704,642</u>	<u>949,196</u>	<u>(593,665)</u>	<u>3,480,071</u>	<u>1,269,895</u>	<u>843,985</u>	<u>(103,339)</u>	<u>(6,169,044)</u>
OTHER REVENUES:										
Investment Income	880,485	687,883	216,927	304,348	8,351	513,494	199,342	399,581	508,059	1,189,892
Other Income	36	-	795	54,050	121	153	263	213	96	16,200
Total Other Revenues	<u>880,521</u>	<u>687,883</u>	<u>217,722</u>	<u>358,398</u>	<u>8,472</u>	<u>513,647</u>	<u>199,605</u>	<u>399,794</u>	<u>508,155</u>	<u>1,206,092</u>
OTHER EXPENSES:										
Other Non-Claim Operational Expenses	-	-	-	-	-	-	-	397	-	4,110,184
Investment Expenses	<u>108,217</u>	<u>50,691</u>	<u>4,423</u>	<u>4,776</u>	-	<u>63</u>	<u>221</u>	-	-	-
	<u>108,217</u>	<u>50,691</u>	<u>4,423</u>	<u>4,776</u>	-	<u>63</u>	<u>221</u>	<u>397</u>	-	<u>4,110,184</u>
NET REVENUES	<u>\$ 962,558</u>	<u>\$ 1,640,302</u>	<u>\$ 1,917,941</u>	<u>\$ 1,302,818</u>	<u>\$ (585,193)</u>	<u>\$ 3,993,655</u>	<u>\$ 1,469,279</u>	<u>\$ 1,243,382</u>	<u>\$ 404,816</u>	<u>\$ (9,073,136)</u>

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The State Employee Assistance Program (EAP) provides services to 127 state agencies and departments covering 29,780 employees and their family members.

The Division of Risk Management contracts with Behavioral Health Systems, Inc. (BHS) to provide our EAP services in order to expand and enhance the scope of the program. BHS is a preferred provider organization specializing in behavioral health care and comprised of high quality providers across the nation. The program is designed to help employees become more effective in their job performance by providing professional, confidential counseling and assistance with various personal and job-related problems. Our EAP plan provides for up to three sessions per year for each employee and their family members.

EAP deals with issues such as supervisor/employee conflict, personal financial management, marital and family disruptions, drug and alcohol abuse, and emotional and mental stressors. We also provide services which include critical incident stress debriefing (CISD), supervisor and employee training, referral to community resources, online resources, and 24/7 clinician access.



In FY-17:

- There were 638 total cases of treatment for a total of 1,643 counseling sessions.
- Females represented 66% of clients and males represented 34%.
- Family members of employees represented 20% and employees represented 80% of our total participation.
- Emotional stress related problems were the most frequent primary issue for clients (48%), followed by depressive disorders issues (17%), anxiety and panic (16%), relational issues (10%), and other issues (8%).
- 73% of our participants were self-referred, 13% were supervisor referred, and 12% were family recommended.
- 95% of our participants were seen by a counselor and 5% were seen by a psychologist.
- 18% of our participants were age 51-60, 24% of the participants were age 41-50, 29% were 31-40, 14% were 21-30, 14% were less than 20, and 4% were 61 or older.
- About 17% of our clients felt that their ability to cope with life problems and stressors was excellent before they had any counseling sessions and about 40% felt their abilities were good. However, after they finished their counseling sessions about 62% felt that their abilities to cope were excellent and about 28% felt that their abilities were good.
- EAP provided 20 statewide training sessions on stress management, communication, and management skills, plus nine other training sessions on various topics. EAP staff participated in three State Personnel Benefit Orientation sessions, eight Agency EAP Awareness sessions, three Agency Grief Counseling sessions and one Agency CISD session.

THE COMMITTEE ON COMPENSATION FOR WRONGFUL INCARCERATION

In 2001 the Alabama legislature created a mechanism designed to compensate individuals who were found to have been wrongfully incarcerated by the State. Section 29-2-150 through 165, Code of Alabama, created a nine-member committee consisting of state legislators or their designees and the Director of Finance. The committee has authority to make financial awards, subject to appropriation by the legislature, to persons who have been imprisoned for felony convictions "of which the person was innocent."

The Division of Risk Management was designated by the statute to provide administrative support to the committee. The DORM's personnel developed application forms and drafted operating procedures for the committee, and maintains files of all applications received. Risk Management and the Finance Legal Divisions evaluate each application to determine that the asserted facts are accurate and whether the application indicates eligibility for compensation based upon the statutory criteria. These findings are then communicated to the members of the committee through its clerk and co-chairmen for appropriate action.

AVIATION PROGRAM

Risk Management is responsible for acquiring and maintaining insurance coverage for the State of Alabama aircraft fleet. DORM obtains a policy annually through a carrier (currently Old Republic Aerospace) which provides hull and liability as well as premises coverage for state-owned aircraft. DORM works with agencies to obtain drone coverage as requested in the current aviation program.

BLANKET FIDELITY AND DISHONESTY BOND

EMPLOYEE DISHONESTY COVERAGE reimburses the state for money or securities lost through dishonest acts of state officers, employees or agents. The exposure to loss through employee dishonesty is significant. Coverage is provided for the dishonest taking of state funds or other intentional dishonest acts that cause financial loss. The limit is \$1,000,000 per occurrence. Like any insurance, there are certain loss areas not covered by our dishonesty coverage and subject to existing policy conditions.

PUBLIC OFFICIAL BOND (Faithful Performance bond) provides the necessary dollar limits to meet statutory requirements for all public officials where a bond is required.

NOTARY PUBLIC BOND provides the necessary dollar limits to meet statutory requirements for all notaries public while in the service of the State of Alabama.

Coverage for these bonds is currently obtained through Zurich Insurance Group and its subsidiaries.

RISK MANAGEMENT TRAINING AND SERVICES

WORKPLACE INJURY PREVENTION TRAINING

The State of Alabama's workforce is comprised of a wide variety of occupations, from vital administration positions to law enforcement officials and many other hazardous occupations. Many State employees are the front lines to critical state operations. It is Loss Control's mission to assist state agencies with efforts to reduce workplace injuries for SEICTF program participants. DORM's loss control specialists can assist with implementing a new safety program, expanding your existing program, or providing specialized assistance. Some of the services offered include on-site specialized employee training on numerous workplace safety topics such as:

Slip, Trip & Fall Prevention	Electrical Safety	Proper Fire Extinguisher Use
Chemical Hazards	Biological Hazards	Driver Safety
Ergonomics	Fall Protection	Proper Lifting
Workplace Hazard Analysis	Claims History Analysis	Job Safety Analysis
Emergency Evacuation Planning	Written Safety Programs	Workplace Violence

BOILER AND MACHINERY INSPECTIONS AND TRAINING

Mandatory boiler inspections are required a minimum of every two years by the Boiler & Pressure Law enacted in 2004. The State Insurance Fund (SIF) contracts with Travelers Insurance in providing Equipment Breakdown Coverage (or Boiler and Machinery coverage). Travelers also provides boiler inspections as well as inspections on other high-pressure equipment items. This service saves SIF participating agencies a minimum inspection fee for the certificate of compliance of \$60 per boiler or high-pressure equipment item. More than 2,300 boilers and other items of pressurized equipment were inspected during 2016. These inspections assist agencies in identifying and correcting conditions that could result in sudden breakdowns, property damage, and personal injury.

A Boiler Operator Training Course for boiler operators and maintenance personnel is also conducted annually at no cost to SIF participating agencies. The course focuses on proper maintenance, safe operation, and code changes for pressurized equipment.

OTHER TRAINING


Training is offered throughout the year on all coverage and benefit programs provided by Risk Management. If your school or agency would like to schedule training, please contact us at (334) 223-6120.



EQUIPMENT MAINTENANCE PROGRAM (EMP)

The Equipment Maintenance Program (EMP) allows all government agencies and departments to consolidate the care of electronic equipment under one comprehensive program. By replacing existing service agreements with this program, agencies will gain a programmatic solution that delivers significant cost savings, enhanced equipment protection, the freedom to utilize the best service vendor for each and every maintenance action, program management tools and information, and achieve positive control over the financial and operational performance of their equipment maintenance portfolio.

Per a most-recently conducted Request for Proposal, The Remi Group (TRG) assumed all administrative operations including payment for service events, management of the EMP, and decreasing the total state expenditures on equipment maintenance. Alabama state agencies can save 25-30% off vendor maintenance contracts. The 2017 program savings were \$1,607,765.38.



ELIGIBLE EQUIPMENT TYPES

GENERAL OFFICE Archive Writers Automated Filing Systems Binding Machines Embossers Hole Punchers Letter Openers Mail Inserters Mail Sorters Mailing Systems Micro-Film Readers/Printers Micrographics Readers Printers Scanners Shredders Sorters Stackers	MEDICAL & IMAGING Arrhythmia Computers Bone Densitometers C-Arms Cardiac Cath Systems Cardiac Output Computers CR Readers CT Scanners Defibrillators Fluoroscopic Rooms Gamma Cameras Imager Fluorescence Laser Imagers Linear Accelerators Mammography Units Monitors MRIs PACS Patient Data Monitoring Portable X-Ray Machines Stress Test Systems Tables Ultrasound Units X-Ray/Fluoroscopic Units X-Ray Units Workstations	RESEARCH & LABORATORY Analyzers Autosamplers Cell Sorters Centrifuges Chromatography DNA Sequencing Flow Cytometers Fluorometers Incubators Lasers Liquid Handling Workstations Mass Spectrometers Microplate Readers NMR Systems Particle Counters Projectors Refrigerator/Freezers Robotic Systems Scanners Spectrometers Spectrophotometers Synthesizers Tabletop Microscopes TEM/SEM Microscopes Thermocyclers Tissue Processors	DENTAL Amalgamators CCTV Cameras Centrifuges Curing Lights Endodontic Systems Exam Lights Fiber-Optic Digital Imaging Microscopes Monitors Oral Cameras Power Carts Pressure Irrigation Systems Root Apex Locators X-Ray Machines
INFORMATION TECHNOLOGY Archiving Appliances Back-up Systems Data Management Systems Laptops Mainframes Network Devices Network Storage PC's & Peripherals Servers Uninterruptible Power Supply	SURGERY Ablation Systems Analyzers Biopsy Systems Cameras Docking Stations Electrosurgical Units Image-Guided Surgery Systems Lasers Microscopes Phacoemulsifiers Smoke Evacuation Systems Surgical/Exam Lights Ultrasounds	EYE CARE Analyzers Autorefractors Auto Lensmeters Auto Tonometers Corneal Topographers Cryosurgical Units Electrosurgical Units Lasers Layout Blocking Systems Ophthalmic Lens Blockers Optical Biometry Systems Patternless Edgers Phacoemulsifier Aspirators Refrigerators Retinal Cameras Slit Lamps Surfacers Surfacing Labs Surgical Lights	FOOD SERVICE Bakery Ovens Electronic Scales Food Packaging Sealers Printer/Label Makers Meat Saws Meat Slicers Meat Tenderizers Mixers Proof Boxes Refrigeration Systems Warmers Wrappers
SECURITY & COMMUNICATION Access Control Systems Alarm Systems Cameras Card Access Systems Metal Detectors Security Access Systems Telephone Systems Two-Way Radios Video Surveillance Systems Voice Mail Systems	LAW ENFORCEMENT Breathalyzers Defibrillators Fingerprint Systems In-Car Video Systems Laptops	AND ANY OTHER TYPES OF EQUIPMENT ELECTRONIC IN NATURE...	

Certain models of equipment may not be eligible due to parts & labor exclusivity and/or availability. List Subject to Change.

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STAFF

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